Co-operation in Practice – Values

In 2012 the Co-operative Federation of Victoria Ltd (Co-operatives Victoria), the Co-operative College in the UK and the SouthEast Housing Co-operative Ltd co-produced a series of short films on Co-operation in Practice featuring the then Chief Executive Officer and Principal of the Co-operative College Mervyn Wilson – Directors, Education, Governance, International, Members, Principles, Social Enterprises and Values. Filming was undertaken by Trade Creative. For each film the Co-operative College prepared a transcript.

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We are often asked what is a co-operative. I think the easiest way to understand this is if we look at what is the globally agreed definition of a co-operative and then unpick it and see what lies behind it. That statement on co-operative identity talks about an autonomous association of persons, united voluntarily to meet common economic, social and cultural needs through a jointly owned and democratically controlled enterprise. I think it is fair to say that it is some sentence. But if you unpick it you start to understand the distinct characteristics of a co-operative. First of all it is an autonomous association of persons. It's independent of Government, it's independent of the big banks, it's an independent organisation. It's a voluntary association of persons – it's about people that have come together voluntarily, not by coercion. And it is there to meet common needs. The way that it meets those needs, whether social, cultural or economic, is through this jointly owned and democratically controlled enterprise. So in a way, there are two parts to a co-operative: one is a social entity, a group of people coming together to meet common needs, and the other one is the business part, the way it meets those needs through an enterprise.

You can look at some of these aspects better if you unpick the statement further and look at the values that lie behind co-operatives and the principles that govern them. There are six key co-operative values and seven principles, together with a series of ethical values. First of all, let's look at the values that we say define co-operatives and then look at the ethical values and principles. The co-operative values are self-help, self-responsibility, democracy, equality, equity and solidarity. It is those values that combine to give co-operatives their very distinct characteristics. Self-help is about what we can achieve by working together, that is, I cannot achieve my objectives without working with you and you cannot achieve your objectives without working with me. It's a unique characteristic that can best be described as a win win situation. Self-responsibility is about saying we are not going to wait for Government to change things, we are not going to wait for some benefactor to do things, we are going to actually take control of our own lives, our own destiny and get on with doing it ourselves. And democracy therefore becomes absolutely critical to how this group of people are going to operate. They are going to operate democratically and the principal of one member, one vote is absolutely paramount. It ties in with equality, which has been a given in co-operatives from the very beginning. They have always operated Irrespective of race, irrespective of political creed, irrespective of gender, and having women as members eighty to ninety years before they got the vote in the UK. Equity is all about fairness, and in co-operatives this fairness applied in particular in financial transactions. A really good example of this is how early co-operatives introduced what became known as the dividend. The dividend rewarded

people in proportion with what they spent with the co-operative, rather than rewarding them based on the size of their shareholding.

And then there is the value of solidarity. Actually it is really interesting for co-operatives because they are a very different kind of business. The pioneers of co-operation didn't want to simply expand their business and grow bigger and bigger and bigger, they wanted to share the idea. So what they did instead of going out and setting up more branches and building the size of their own business beyond the communities they were serving, they sent out people to help set up co-operatives and build a whole co-operative movement, first of all in the UK and then very quickly internationally as other people received that message. Those co-operative values combined to give them their distinct characteristics and they are backed up by a series of ethical values. Those values were really important because in many ways they were a response to the abuses of the private trade that at the time led to the creation of co-operatives.

So they are honest in their dealings, they are open and transparent, they have social responsibility that they demonstrate in their actions and they have concern for the community as well. So these values we say could be shared by many other organisations, and they are very, very important for co-operative businesses.

Film available at CoOperationdg
https://www.youtube.com/channel/UCvnVDdQMYk112jAgJ-pvfFA